AMENDED IN ASSEMBLY MAY 27, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 888

Introduced by Assembly Member De La Torre

February 18, 2005

An act to add Article 9 (commencing with Section 40550) to Chapter 5.5 of Part 3 of Division 26 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 888, as amended, De La Torre. Air pollution: South Coast Air Quality Management District: rail yard railyard equipment emissions.

(1) Existing law designates the State Air Resources Board as the state agency charged with coordinating efforts to attain and maintain ambient air quality standards. Existing law generally designates the state board as the state agency with the primary responsibility for the control of vehicular air pollution, and air pollution control districts and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law, the Lewis-Presley Air Quality Management Act, designates the South Coast Air Quality Management District (south coast district) as the sole and exclusive authority within the South Coast Air Basin with the responsibility for comprehensive air pollution control. Existing law, the federal Clean Air Act, prohibits any state from adopting or enforcing any standard relating to the control of emissions from new motor vehicles or new motor vehicle engines, but requires the Administrator of the federal Environmental Protection Agency to waive that prohibition, or authorize a state to adopt and enforce standards relating to motor vehicles or motor vehicle engines or to nonroad vehicles or nonroad engines, if a state $AB 888 \qquad \qquad -2 -$

determines that its standards are at least as protective of human health as the federal standards.

This bill would authorize the south coast district to establish a-rail yard railyard equipment emission reduction program by permitting the south coast district to adopt regulations requiring the owner or lessee of any heavy-duty motor vehicle, nonroad engine, or nonroad vehicle to install retrofit controls or replace existing equipment with clean technologies to reduce emissions of air contaminants to the maximum extent feasible, if that vehicle or engine operates substantially in a-rail yard railyard within the south coast district, as determined by the south coast district. The bill would specify that a regulation adopted pursuant to the bill that is applicable to motor vehicles, shall not be implemented until January 1, 2007.

The bill would also require the State Air Resources Board to submit any regulations adopted by the south coast district to the federal Environmental Protection Agency for a waiver or authorization, unless the state board makes certain findings.

This bill would preclude the south coast district from adopting any regulation within the scope of preemption established by federal regulations.

This bill would declare that if any of its provisions are held invalid, that invalidity shall not affect the validity of other provisions of the bill to the extent the provisions are severable.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the 2 following:
- 3 (1) Federal and state health-based ambient air quality
- 4 standards for ozone and particulates are exceeded regularly and
- 5 by a wide margin in the South Coast Air Basin. The South Coast
- 6 Air Basin is one of two areas in the United States designated as

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extreme nonattainment for the National Ambient Air Quality Standard for ozone. Attaining this standard will require extraordinary efforts by federal, state, and local regulatory authorities working in concert.

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- (2) The federal Environmental Protection Agency recently adopted more stringent 8-hour ozone and PM2.5 particulate standards that will require even greater emission reductions in the South Coast Air Basin. The South Coast Air Basin is designated "Severe 17" for the 8-hour ozone standard, the worst in the nation.
- (3) Air pollution from rail yard equipment, including yard-tractors, hostlers, cranes, fork lifts, and other mobile source equipment primarily fueled with diesel fuel, contribute to conditions that exceed federal and state ozone and particulate standards in the South Coast Air Basin.
- (4) Diesel exhaust is designated as a toxic air contaminant and accounts for over 70 percent of the cancer risk from air contaminants in southern California. Communities near rail yards, including, but not limited to, low-income communities and communities of minority populations, are adversely impacted by toxic exhaust from diesel-powered rail yard equipment. In October 2004, the state board released a study of cancer risks in the vicinity of a rail yard in Roseville, California, which estimated that persons in the vicinity of the rail yard are exposed to diesel exhaust at a level that creates a cancer risk of 500 in one million. Emissions from rail yards in the south coast district contribute to regional cancer risks that have been estimated by the district to average 1,400 in a million, with higher risk levels in the vicinity of transportation sources.
- (5) Emissions from equipment within rail yards are expected to rise as train traffic increases due to increases in international trade. In order to attain state and federal standards for ozone and particulates, as well as to reduce toxic air contaminants, it is necessary that emissions from rail yard equipment be further controlled.
- (6) Existing state law authorizes the south coast district to adopt regulations controlling emissions from nonvehicular sources, including nonroad engines or vehicles, and authorizes the California Air Resources Board to adopt regulations controlling emissions from vehicular sources. Federal law

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requires that a waiver or authorization be obtained from the federal Environmental Protection Agency for certain standards or other requirements relating to the control of emissions from specified engines and vehicles.

- (7) New technologies to reduce diesel particulate and ozone precursor emissions at rail yards are available and are cost-effective. The emission reduction technologies include low sulfur diesel fuel, particulate matter traps, NOx reduction catalysts, emulsified diesel fuel, and other technologies.
- (8) In 1998, the state board entered into a memorandum of understanding with the Burlington Northern and Santa Fe Railway Company, and the Union Pacific Railroad Company, under which the railroads agreed to utilize by 2010 locomotives in the South Coast Air Basin that meet a specified fleet average emissions limitation. The memorandum of understanding does not contain provisions pertaining to rail yard equipment.
- (9) The memorandum of understanding referred to in paragraph (8) provides that the railroads may terminate the agreement in the event the state or any political subdivision takes any action to establish any requirement applicable to locomotives or locomotive engines that is within the scope of the preemption established in the Emission Standards for Locomotives and Locomotive Engines adopted by the federal Environmental Protection Agency on April 16, 1998, as set forth in Parts 85, 89, and 92 of Title 40 of the Code of Federal Regulations.
- (10) The authorization in this act for establishment by the south coast district of a rail yard equipment emission reduction program does not include adoption by the district of a regulation that would constitute a requirement applicable to locomotives that is within the scope of federal preemption referred to in the memorandum of understanding between the state board and the participating railroads. It is therefore necessary to implement legislation to authorize the South Coast Air Quality Management District to implement a rail yard equipment emission reduction program.
- (b) It is the intent of the Legislature to provide authorization for the South Coast Air Quality Management District to implement a rail yard equipment emission reduction program.

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SEC. 2. Article 9 (commencing with Section 40550) is added to Chapter-5 5.5 of Part 3 of Division 26 of the Health and Safety Code, to read:

Article 9. RAIL YARD EQUIPMENT EMISSION REDUCTION PROGRAM

- 40550. The purpose of this article is to authorize the south coast district to establish a rail yard equipment emission reduction program, to decrease the emissions from equipment within rail yards in the south coast district.
- 40551. (a) The south coast district may adopt regulations requiring the owner or lessee of any heavy-duty motor vehicle, nonroad engine, or nonroad vehicle to install retrofit controls or replace existing equipment with clean technologies to reduce emissions of air contaminants to the maximum extent feasible, as determined by the south coast district, if that vehicle or engine operates substantially in a rail yard within the south coast district, as determined by the south coast district. A regulation adopted pursuant to this section that is applicable to motor vehicles shall not be implemented until January 1, 2007.
- (b) The state board shall submit any regulations adopted by the district pursuant to this section to the federal Environmental Protection Agency for a waiver or authorization pursuant to subdivision (b) or (e), as applicable, of Section 7543 of Title 42 of the United States Code, if the south coast district board makes the determinations required by those subdivisions, unless the state board finds, based on evidence presented at a public hearing, that either of the following apply:
- (1) The proposed waiver or authorization is unnecessary in order for the south coast district to implement the regulations.
- (2) The proposed waiver or authorization cannot lawfully be granted by the federal Environmental Protection Agency, and no actions could be taken by the state board that would allow the grant of that waiver or authorization.

Unless the state board makes one of the findings specified in paragraph (1) or (2), the state board shall expeditiously take any actions necessary to enable the federal Environmental Protection Agency to grant a waiver or authorization, including making any required findings or undertaking any required rulemaking. The

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1 The south coast district shall reimburse the state board for any 2 costs incurred by the state board in implementing this 3 subdivision.

- (c) For the purposes of this section, "motor vehicle," "nonroad engine," and "nonroad vehicle" have the same meaning as those terms are defined in Section 7550 of Title 42 of the United States Code.
- (d) This section does not apply to new locomotives or new engines used in locomotives as those terms are used in Section 7543 of Title 42 of the United States Code.
- (e) It is the intent of the Legislature that, in adopting regulations pursuant to this section, the south coast district board grant priority to reducing emissions of air contaminants from vehicles and engines that contribute to air pollution problems, or the public health risks associated with air contaminants, including, but not limited to, airborne toxics and particulate matter, in communities adjacent to rail lines within the south coast district with the most significant exposure to air contaminants, localized air contaminants, or both, including, but not limited to, communities of low-income populations.
- (f) The south coast district may not adopt or implement any regulation pursuant to this section if the state board has adopted a regulation achieving at least the same percentage amount of emission reductions from the same sources.
- 40552. (a) The provisions of this article shall be effective notwithstanding any other provision of law and to the extent permissible under federal law. This article does not authorize the south coast district to adopt any regulation that is within the scope of preemption established by Section 7543 of Title 42 of the United States Code.
- (b) If any provision of this article or the application thereof to any person or circumstance is held invalid, it is the intent of the Legislature that the invalidity not affect other provisions or applications of the division article that can be given effect without the invalid provision or application, and to this end the provisions of this article are severable.
- (c) This article does not limit the authority of the south coast district established by preexisting law.
- SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because

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- 1 the only costs that may be incurred by a local agency or school
- 2 district are the result of a program for which legislative authority
- 3 was requested by that local agency or school district, within the
- 4 meaning of Section 17556 of the Government Code and Section
- 5 6 of Article XIII B of the California Constitution.